

PART 1241—PENALTIES**Subpart A—General Provisions [Reserved]****Subpart B—Penalties for Federal and Indian Oil and Gas Leases**

DEFINITIONS

Sec.

1241.50 What definitions apply to this subpart?

PENALTIES AFTER A PERIOD TO CORRECT

1241.51 What may Office of Natural Resources Revenue (ONRR) do if I violate a statute, regulation, order, or lease term relating to a Federal or Indian oil and gas lease?

1241.52 What if I correct the violation?

1241.53 What if I do not correct the violation?

1241.54 How may I request a hearing on the record on a Notice of Noncompliance?

1241.55 Does my request for a hearing on the record affect the penalties?

1241.56 May I request a hearing on the record regarding the amount of a civil penalty if I did not request a hearing on the Notice of Noncompliance?

PENALTIES WITHOUT A PERIOD TO CORRECT

1241.60 May I be subject to penalties without prior notice and an opportunity to correct?

1241.61 How will ONRR inform me of violations without a period to correct?

1241.62 How may I request a hearing on the record on a Notice of Noncompliance regarding violations without a period to correct?

1241.63 Does my request for a hearing on the record affect the penalties?

1241.64 May I request a hearing on the record regarding the amount of a civil penalty if I did not request a hearing on the Notice of Noncompliance?

GENERAL PROVISIONS

1241.70 How does ONRR decide what the amount of the penalty should be?

1241.71 Does the penalty affect whether I owe interest?

1241.72 How will the Office of Hearings and Appeals conduct the hearing on the record?

1241.73 How may I appeal the Administrative Law Judge's decision?

1241.74 May I seek judicial review of the decision of the Interior Board of Land Appeals?

1241.75 When must I pay the penalty?

1241.76 Can ONRR reduce my penalty once it is assessed?

1241.77 How may ONRR collect the penalty?

CRIMINAL PENALTIES

1241.80 May the United States criminally prosecute me for violations under Federal and Indian oil and gas leases?

Subpart C—Federal and Indian Oil [Reserved]**Subpart D—Federal and Indian Gas [Reserved]****Subpart E—Solid Minerals, General [Reserved]****Subpart F—Coal [Reserved]****Subpart G—Other Solid Minerals [Reserved]****Subpart H—Geothermal [Reserved]****Subpart I—OCS Sulfur [Reserved]**

AUTHORITY: 25 U.S.C. 396 *et seq.*, 396a *et seq.*, 2101 *et seq.*; 30 U.S.C. 181 *et seq.*, 351 *et seq.*, 1001 *et seq.*, 1701 *et seq.*; 43 U.S.C. 1301 *et seq.*, 1331 *et seq.*, 1801 *et seq.*

Subpart A—General Provisions [Reserved]**Subpart B—Penalties for Federal and Indian Oil and Gas Leases**

SOURCE: 64 FR 26251, May 13, 1999, unless otherwise noted. Redesignated at 75 FR 61087, Oct. 4, 2010.

DEFINITIONS

§ 1241.50 What definitions apply to this subpart?

The terms used in this subpart have the same meaning as in 30 U.S.C. 1702.

PENALTIES AFTER A PERIOD TO CORRECT

§ 1241.51 What may Office of Natural Resources Revenue (ONRR) do if I violate a statute, regulation, order, or lease term relating to a Federal or Indian oil and gas lease?

(a) If we believe that you have not followed any requirement of a statute, regulation, order, or terms of a lease for any Federal or Indian oil or gas lease, we may send you a Notice of Noncompliance telling you what the violation is and what you need to do to correct it to avoid civil penalties under 30 U.S.C. 1719(a) and (b).

Surface Mining Reclamation and Enforcement, Interior

§ 1241.56

(b) We will serve the Notice of Noncompliance by registered mail or personal service using your address of record as specified under subpart H of part 1218.

[64 FR 26251, May 13, 1999, as amended at 71 FR 51752, Aug. 31, 2006]

§ 1241.52 What if I correct the violation?

The matter will be closed if you correct all of the violations identified in the Notice of Noncompliance within 20 days after you receive the Notice (or within a longer time period specified in the Notice).

§ 1241.53 What if I do not correct the violation?

(a) We may send you a Notice of Civil Penalty if you do not correct all of the violations identified in the Notice of Noncompliance within 20 days after you receive the Notice of Noncompliance (or within a longer time period specified in that Notice). The Notice of Civil Penalty will tell you how much penalty you must pay. The penalty may be up to \$500 per day, beginning with the date of the Notice of Noncompliance, for each violation identified in the Notice of Noncompliance for as long as you do not correct the violations.

(b) If you do not correct all of the violations identified in the Notice of Noncompliance within 40 days after you receive the Notice of Noncompliance (or 20 days following the expiration of a longer time period specified in that Notice), we may increase the penalty to up to \$5,000 per day, beginning with the date of the Notice of Noncompliance, for each violation for as long as you do not correct the violations.

§ 1241.54 How may I request a hearing on the record on a Notice of Noncompliance?

You may request a hearing on the record on a Notice of Noncompliance by filing a request within 30 days of the date you received the Notice of Noncompliance with the Hearings Division (Departmental), Office of Hearings and Appeals, U.S. Department of the Interior, 801 North Quincy Street, Arlington, Virginia 22203. You may do this re-

gardless of whether you correct the violations identified in the Notice of Noncompliance.

[64 FR 26251, May 13, 1999, as amended at 67 FR 19112, Apr. 18, 2002]

§ 1241.55 Does my request for a hearing on the record affect the penalties?

(a) If you do not correct the violations identified in the Notice of Noncompliance, the penalties will continue to accrue even if you request a hearing on the record.

(b) You may petition the Hearings Division (Departmental) of the Office of Hearings and Appeals, to stay the accrual of penalties pending the hearing on the record and a decision by the Administrative Law Judge under § 1241.72.

(1) You must file your petition within 45 calendar days of receiving the Notice of Noncompliance.

(2) To stay the accrual of penalties, you must post a bond or other surety instrument using the same standards and requirements as prescribed in 30 CFR part 243, subpart B, or demonstrate financial solvency using the same standards and requirements as prescribed in 30 CFR part 243, subpart C, for the principal amount of any unpaid amounts due that are the subject of the Notice of Noncompliance, including interest thereon, plus the amount of any penalties accrued before the date a stay becomes effective.

(3) The Hearings Division will grant or deny the petition under 43 CFR 4.21(b).

§ 1241.56 May I request a hearing on the record regarding the amount of a civil penalty if I did not request a hearing on the Notice of Noncompliance?

(a) You may request a hearing on the record to challenge only the amount of a civil penalty when you receive a Notice of Civil Penalty, if you did not previously request a hearing on the record under § 1241.54. If you did not request a hearing on the record on the Notice of Noncompliance under § 1241.54, you may not contest your underlying liability for civil penalties.

(b) You must file your request within 10 days after you receive the Notice of